



Clean Energy Jobs^{and} Oil Company Accountability Act

Background on Offshore Drilling and Moratoriums

Introduction

The Outer Continental Shelf (OCS) is managed by the executive branch through a set of laws and policies enacted by the legislative branch over almost sixty years. The nation's management of the OCS, an area of land which begins three miles from the shoreline and extends 200 miles out into the ocean, has been dominated by the establishment and elimination of moratoriums on drilling. The following information provides a short background on offshore drilling and moratoriums.

Outer Continental Shelf Lands Act

The *Outer Continental Shelf Lands Act* (OCSLA) was enacted in 1953 and it provides the general framework for the nation's protection and management of its mineral resources. In 1978, the OCSLA was significantly amended by increasing the role of coastal states and strengthened the environmental review processes.

The foundation of OCSLA is built upon the Congressional declaration that the OCS is a vital natural resource and that it is subject to the jurisdiction, control, and power of the federal government. Furthermore, OCSLA requires the federal government to prepare, revise, and maintain an oil and gas leasing program in a manner that is cognizant of the significant impacts mineral production will have on marine, coastal, and human environments.

Congressional and Presidential Moratoriums (1982 to 2008)

Beginning in 1982, Congress started including a provision in appropriations bills that prohibited offshore oil and gas development in the majority of the OCS. In 1990, President George H.W. Bush issued a similar Presidential Directive that also banned offshore drilling in the majority of the OCS, which was extended by President Clinton in 1998 until 2012. Despite these moratoriums, drilling was allowed to continue in large portions of the Gulf of Mexico and large portions of the Alaskan coastline.

Through Fiscal Year 2008, Congress continued to include the drilling moratorium provision in annual appropriations bills. In the summer of 2008, President George W. Bush announced that he would veto any appropriation bill maintained the Congressional moratorium. Without the votes to override his veto, Congress

subsequently let the drilling moratorium expire when it passed the consolidated Fiscal Year 2009 appropriations bill. President George W. Bush subsequently rescinded the executive branch off-shore drilling moratorium.

In its final days, the prior administration responded to the availability of new lands for drilling by introducing an updated schedule (2010-2015) for oil and gas drilling on the OCS which contained proposals to lease lands for drilling off the coasts of the Atlantic and Pacific.

Separate from the annual placement of moratorium language in appropriations bills, Congress passed legislation (Gulf of Mexico Energy Security Act) in 2006 which allowed new drilling to commence in certain portions of the Gulf of Mexico, but placed nearly all of the Eastern Gulf of Mexico under a leasing and drilling moratorium until 2022.

Obama Administration and Drilling (2009 to Pre-Deepwater Horizon)

Once in office, the Obama Administration responded to the actions of the prior administration by extending the comment period on the 2010-2015 drilling plan for 180 days and began holding meetings around the country on the new draft program. At the same time, the United States Court of Appeals for the District of Columbia vacated portions of the prior administration's 2007 to 2012 offshore oil and gas leasing regulations because the accompanying environmental analysis was "irrational." This decision meant the Obama Administration would have to review and revise that analysis.

In March 2010, President Obama announced that he was revising the 2007-2012 leasing plan and that the 2010-2015 leasing schedule would not be implemented. The differences between the revised 2007-2012 leasing plan and the previous version included:

- The placement of Bristol Bay (North Aleutian Basin) in Alaska under moratorium until 2017;
- The elimination of five Alaskan lease sales (Beaufort Sea 209 & 217; Chukchi Sea 212 & 221; North Aleutian Basin 214);
- The addition of four new lease sales in the Gulf of Mexico (Western Gulf 215 & 218; Central Gulf 216 & 222);
- The decision to scope Mid-Atlantic, South Atlantic, Gulf of Mexico (eastern, central, and western), and the Chukchi Sea, Beaufort Sea, and Cook Inlet of Alaska for future drilling; and
- The decision to allow drilling in the Eastern Gulf of Mexico, though the area would remain under the GOMESA moratorium until 2022 unless Congress opened the area before the expiration date.

The revised plan still allows for (as proposed originally by the previous administration):

- The carryover of the lease sale for the Chukchi Sea (Lease Sale 193);
- The retention of the planned lease sale off the coast of Virginia (Lease Sale 220);
- The carryover of all the scheduled Gulf of Mexico lease sales (Western Gulf Sales 204, 207 & 210; Central Gulf Sales 205, 206, 208, & 213; Eastern Gulf Sale 224); and
- The retention of the planned lease sale in Cook Inlet (Lease sales 211 and 219).

Obama Administration and Drilling (Post Deepwater Horizon)

In response to the explosion and sinking of the Deepwater Horizon and concerns about the safety of deepwater drilling, the Obama Administration announced the following actions:

- Suspending exploratory deepwater drilling for six months or until the independent commission makes recommendations about needed changes; and
- Cancelling a planned lease sale (Lease Sale 220) for oil and gas drilling 50 miles off the coast of Virginia.

In June, a federal judge blocked the Obama Administration's six month halt to deepwater drilling. On July 7, 2010, the Obama Administration filed an appeal, asking for the deepwater drilling moratorium to be reinstated. The appeal was denied by the Fifth Circuit Court of Appeals.

Secretary Salazar subsequently issued a new directive suspending deepwater drilling on facilities that use subsea blowout preventers or surface blowout preventers on floating facilities through November 30, 2010.